

energy; the quantity and quality of geothermal resources, water or reservoir energy; the amount and direction of deviation of any well from the vertical: formation, casing, and tubing pressures, temperatures, rate of heat and fluid flow, and whether operations are conducted in a manner looking to the protection of the interests of the lessor.

§ 3261.5 Drilling and abandonment of wells.

The authorized officer shall require that drilling be conducted in accordance with the terms of the lease, GRO orders, and the regulations in this group; and shall require plugging and abandonment of any well or wells no longer necessary for operations in accordance with plans approved or prescribed by him. Upon the failure of a lessee to comply with any requirement under this section, the authorized officer is authorized to perform the work at the expense of the lessee and the surety.

[38 FR 35068, Dec. 21, 1973. Redesignated and amended at 48 FR 44788, 44789, Sept. 30, 1983]

§ 3261.6 Well spacing and well casing.

The authorized officer shall approve proposed well-spacing and well-casing programs or prescribe such modifications to the programs as he determines necessary for proper development, giving consideration to such factors as:

- (a) Topographic characteristics of the area;
- (b) Hydrologic, geologic and reservoir characteristics of the field;
- (c) The number of wells that can be economically drilled to provide the necessary volume of geothermal resources for the intended use;
- (d) Protection of correlative rights;
- (e) Minimizing well interference;
- (f) Unreasonable interference with multiple use of lands; and
- (g) Protection of the environment, including ground water quality.

§ 3261.7 Values and payment for losses.

The authorized officer shall determine the value of production accruing to the lessor where there is loss through waste or failure to drill and produce protection wells on the lease, and the compensation due to the lessor

as reimbursement for such loss. Payment for such losses will be paid when billed.

Subpart 3262—Requirements for Operating Rights Owners and Operators

§ 3262.1 Lease terms, regulations, waste, damage, and safety.

(a) The operating rights owner or operator, as appropriate, shall comply with the lease terms, lease stipulations, applicable laws and regulations and any amendments thereof, GRO orders, and other written or oral orders of the authorized officer. All oral orders (to be confirmed in writing as provided in § 3261.2 of this title are effective when issued unless otherwise specified.

(b) The operating rights owner or operator, as appropriate, shall take all reasonable precautions to prevent: (1) Waste; (2) damage to any natural resource including trees and other vegetation, fish and wildlife and their habitat; (3) injury or damage to persons, real or personal property; and (4) any environmental pollution or damage.

(c) Any significant effect on the environment created by the operations or failure to comply with environmental standards shall be reported to the authorized officer within 24 hours and confirmed in writing within 30 days.

[38 FR 35068, Dec. 21, 1973. Redesignated at 48 FR 44788, Sept. 30, 1983, and amended at 53 FR 17373, May 16, 1988]

§ 3262.2 Conduct of operations.

(a) Whenever a change in operator occurs, the authorized officer shall be notified promptly in writing, and the new operator shall furnish evidence of sufficient bond coverage in accordance with subpart 3206 of this title.

(b) In all cases where an individual production well facility, research and demonstration facility, or plant facility is to be operated by a party other than the operating rights owner or licensee, such other party shall submit to the authorized officer the joint facility operating agreement between the operating rights owner or licensee and